

<p><b>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO</b> 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p><b>CRVI H-AZCO LLC,</b></p> <p>v.</p> <p>Respondent:</p> <p><b>DOUGLAS COUNTY BOARD OF EQUALIZATION.</b></p>	<p><b>Docket No.: 55192</b></p>
<p><b>ORDER</b></p>	

**THIS MATTER** was heard by the Board of Assessment Appeals on January 6, 2011, Diane M. DeVries, Gregg A. Near, and James R. Meurer presiding. Petitioner was represented by Robert R. Gunning, Esq. Respondent was represented by Robert D. Clark, Esq. Petitioner is protesting the 2009 actual value of the subject property.

Subject property is described as follows:

**42 Vacant Residential Lots**  
**Filing No. 2, Crystal Valley Ranch Subdivision, Castle Rock, Colorado**  
**Douglas County Schedule Nos.: R0448439-8660 (See Attached)**

The subject properties consist of 42 vacant single family lots in Filing No. 2 of the Crystal Valley Ranch Subdivision located in Castle Rock, CO. The lots were fully developed as of the date of value and range in size from 0.16 to 0.32 acres with a median size of 0.24 acres. For valuation purposes, the 42 lots are classified as either “typical” lots or “greenbelt” lots depending on their location within the filing.

Petitioner is requesting an actual value of \$2,365,876.00 for the subject properties for tax year 2009. Respondent assigned a value of \$3,251,250.00 for the subject properties for tax year 2009.

Petitioner and Respondent have stipulated to the physical characteristics of the individual lots. The parties have also stipulated to a per lot retail value for a typical lot at \$75,000.00 and to a greenbelt lot at \$86,250.00.

The primary disagreement between Petitioner and Respondent is whether the lots are eligible for present worth valuation pursuant to Section 39-1-103(14)(b), C.R.S. Specifically, Petitioner contends that more than the 80% (the statutory discounting threshold) of the buildable lots have been sold in the subject filing and Respondent contends that less than 80% of the lots have been sold accounting for the additional filings that should be included in the competitive environment.

Petitioner's witnesses, Mr. Michael Van Donselaar of Duff & Phelps, LLC and Mr. Todd Bowden of Cypress Realty Advisors, argued that the competitive environment for the subject lots in Filing No. 2 should extend to all platted lots within the Crystal Valley Ranch Subdivision, regardless of filing. Petitioner specifically referenced Filing No. 3 where 100% of the lots had been sold, Filing No. 5A where 23.4% of the lots had been sold, and Filing No. 6 where 4.8% of the lots had been sold. According to Petitioner, the sales in these additional filings combined with the subject Filing No. 2 indicates an overall percentage of 71.94% of lots sold in what should be considered as the competitive environment. This percentage, according to Colorado Statute, would support a present worth valuation model given that it is less than the 80% threshold.

Petitioner is requesting a 2009 actual value of \$2,365,876.00 for the subject property based on present worth discounting.

Respondent presented a value of \$3,251,250.00 for the subject property based on the market approach with no discounting for present worth.

Respondent's witness, Mr. Steven W. Campbell with the Douglas County Assessor's Office, testified that given the physical and economic characteristics of the subject, only Filing No. 2 and no additional filings should be considered to determine if the subject was eligible for present worth valuation. Mr. Campbell based his argument on the fact that the filings differed relative to location, topography, absorption, lot size, builder, as well as the architectural style and price point of the houses. Given that 80% of the lots in Filing No. 2 were sold as of June 30, 2008, Mr. Campbell argued that discounting was not applicable.

Respondent presented sufficient probative evidence and testimony to show that the subject property was correctly valued for tax year 2009.

After careful consideration of the testimony and exhibits presented in the hearing, the Board concludes that only the lots in Filing No. 2 should be considered for present worth discounting eligibility. The Board further concludes that the subject lots will not directly compete with the lot inventory of other owners and developers within the Crystal Valley Subdivision. The physical and economic characteristics of the lots in the additional filings referenced by Respondent differ from the subject and should not be considered as part of the competitive environment and in the calculation of the 80% discounting threshold.

**ORDER:**

The petition is denied.

**APPEAL:**

If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

If the decision of the Board is against Respondent, Respondent, upon the recommendation of the Board that it either is a matter of statewide concern or has resulted in a significant decrease in the total valuation of the respondent county, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-five days after the date of the service of the final order entered).

In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

Section 39-8-108(2), C.R.S.

**DATED and MAILED** this 14 day of January 2011.

**BOARD OF ASSESSMENT APPEALS**

*Diane M. DeVries*  
Diane M. DeVries

*Gregg A. Near*  
Gregg A. Near

*James R. Meurer*  
James R. Meurer

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

*Amy Bruins*  
Amy Bruins



ACCOUNTNO	LEGAL
R0448439	LOT 1 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.31 AM/L
R0448440	LOT 2 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.30 AM/L
R0448442	LOT 4 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.30 AM/L
R0448500	LOT 212 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.19 AM/L
R0448501	LOT 213 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.20 AM/L
R0448502	LOT 214 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.20 AM/L
R0448559	LOT 109 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.18 AM/L
R0448560	LOT 110 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.20 AM/L
R0448561	LOT 111 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.16 AM/L
R0448562	LOT 112 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.26 AM/L
R0448563	LOT 113 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.24 AM/L
R0448564	LOT 114 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.25 AM/L
R0448565	LOT 115 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.24 AM/L
R0448566	LOT 116 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.22 AM/L
R0448567	LOT 117 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.17 AM/L
R0448568	LOT 118 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.16 AM/L
R0448569	LOT 119 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.17 AM/L
R0448571	LOT 120 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.19 AM/L
R0448572	LOT 121 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.18 AM/L
R0448573	LOT 122 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.16 AM/L
R0448574	LOT 123 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.25 AM/L
R0448575	LOT 124 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.28 AM/L
R0448576	LOT 125 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.24 AM/L
R0448577	LOT 126 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.27 AM/L
R0448578	LOT 127 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.17 AM/L
R0448579	LOT 128 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.19 AM/L
R0448580	LOT 129 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.27 AM/L
R0448581	LOT 130 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.19 AM/L
R0448582	LOT 131 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.23 AM/L
R0448583	LOT 132 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.23 AM/L
R0448584	LOT 133 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.24 AM/L
R0448649	LOT 169 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.27 AM/L
R0448650	LOT 170 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.27 AM/L
R0448651	LOT 171 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.27 AM/L
R0448653	LOT 173 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.28 AM/L
R0448654	LOT 174 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.29 AM/L
R0448655	LOT 175 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.27 AM/L
R0448656	LOT 176 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.30 AM/L
R0448657	LOT 177 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.20 AM/L
R0448658	LOT 178 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.24 AM/L
R0448659	LOT 179 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.32 AM/L
R0448660	LOT 180 CRYSTAL VALLEY RANCH FLG 2 1ST ADMIN REPLAT 0.21 AM/L